

## **SOFIDEL FINALIZES THE ACQUISITION OF ROYAL PAPER'S ASSETS IN THE UNITED STATES, FURTHER STRENGTHENING ITS POSITION IN THE NORTH AMERICAN MARKET**

**The agreement was announced on April 9. All necessary approval and closing procedures and conditions have been satisfied. With four new facilities, Sofidel further strengthens its production footprint in the North American market, which today accounts for 50% of the Group's total revenue.**

*Porcari (Lucca), Italy, 16 June 2025 – Sofidel, one of the world's leading manufacturers of paper for hygienic and household use, known particularly in Italy and Europe for its Regina brand, is pleased to announce it has finalized the acquisition of the assets of Royal Interco, LLC ("Royal Paper") for which it had entered into an Asset Purchase Agreement (APA) based on a "stalking horse" bid.*

The agreement between Sofidel and Royal Paper – a recognized player in the US in both the At-Home and Away-from-Home segments – was announced on April 9.

**All necessary approval and closing procedures have been now completed and satisfied.**

**Three facilities in Arizona** – the paper mill in Gila Bend (with an annual production capacity of 61,000 metric tons) and two converting facilities in Phoenix – **and one converting facility in Duncan, South Carolina**, officially become part of Sofidel's production footprint.

*"This is another important milestone in our growth journey in North America. The location of these production assets – particularly the three facilities in Arizona – allows us to significantly strengthen our presence in the western United States. This enhances our ability to serve customers and improves our efficiency by reducing delivery times and optimizing logistics" stated Luigi Lazzareschi, CEO of Sofidel.*

*"The Royal Paper team and its 35 years of paper manufacturing experience in the US market are excited to join the Sofidel family to serve its customers and consumers more completely" said Steve Schoembs, CEO of Royal Paper.*

Importantly, Sofidel also plans to offer employment to a significant portion of Royal Paper's workforce, helping ensure continuity and laying the foundation for future growth together.



With this acquisition, **Sofidel now operates a total of 15 facilities in the United States**, a market that represents **50% of the Group's total revenue**.

Meanwhile, two production expansion projects are progressing in the U.S.: one at the Duluth paper mill in Minnesota, where buildings are under construction to house new converting lines and an automated warehouse; and one in Circleville, Ohio, where a new paper machine – the third at the facility – with a capacity of 70,000 metric tons, will be activated.

For the Royal Paper acquisition, Sofidel was advised by “Cleary Gottlieb Steen & Hamilton” as legal counsel.

#### **Sofidel Group**

The Sofidel Group, headquartered in Porcari (Lucca, Italy), is one of the leading manufacturers of paper for hygienic and household use worldwide. Established in 1966, the Group is active in 13 countries, 12 in Europe and the United States (13 States following the Royal Paper's assets acquisition), with over 9,000 employees and a production capacity of 1,913,000 metric tons per year (following the Royal Paper's assets acquisition). In 2024, the Group had Net Sales of 3.225 billion Euros. “Regina”, its most well-known brand, is present on almost all the reference markets. Other brands include: Sopalin, Le Trèfle, Hakle, Softis, Nalys, Cosynel, KittenSoft, Nicky and Papernet. Sofidel is committed to reaching Net-Zero carbon emissions by the end of 2050.

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